

## MEMORANDUM

TO: Worcester Retirement Board  
FROM: Joseph E. Connarton, Executive Director  
RE: Appropriation for Fiscal Year 2018  
DATE: November 28, 2016

Required Fiscal Year 2018 Appropriation: **\$46,188,470**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2018 which commences July 1, 2017.

The allocation by governmental unit is as follows:

City of Worcester	\$42,470,799	
Housing Authority	3,717,671	(\$3,854,563 if paid monthly)

Attached please find summary information based on the present funding schedule for your system. The governmental unit allocation was determined based on Chapter 191 of the Acts of 1998 (An Act Authorizing the City of Worcester to Issue Pension Obligation Bonds). In accordance with Section 4 of the Act, PERAC "shall increase the annual amount to be certified under Section 22 of Chapter 32 of the General Laws as the amount necessary to be paid by each governmental unit in said retirement system other than the city by each governmental unit's proportionate share of the annual debt service expense as determined herein and shall decrease the amount to be paid by said city by an equal amount". Our figures reflect the adjustment for the debt service (assuming July 1 and January 1 payments).

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl  
Attachments

cc: City Council  
c/o City Clerk  
Office of the City Manager

## Worcester Retirement Board

### Projected Appropriations

Fiscal Year 2018 - July 1, 2017 to June 30, 2018

Aggregate amount of appropriation: **\$46,188,470**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
<b>FY 2018</b>	\$67,110,337	\$44,104,804	\$2,083,666	\$46,188,470	\$46,188,470	0	\$20,921,867
<b>FY 2019</b>	\$69,203,248	\$48,342,061	\$548,435	\$48,890,496	\$48,890,496	\$0	\$20,312,752
<b>FY 2020</b>	\$71,361,868	\$51,202,155	\$548,435	\$51,750,590	\$51,750,590	\$0	\$19,611,278
<b>FY 2021</b>	\$73,588,260	\$54,229,564	\$548,435	\$54,777,999	\$54,777,999	\$0	\$18,810,261
<b>FY 2022</b>	\$75,884,553	\$57,982,512	\$0	\$57,982,512	\$57,982,512	\$0	\$17,902,041

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.